

NEWS RELEASE

OFFICE OF THE UNITED STATES ATTORNEY
WESTERN DISTRICT OF MISSOURI

TODD P. GRAVES

Contact Don Ledford, Public Affairs • (816) 426-4220 • 400 East Ninth Street, Room 5510 • Kansas City, MO 64106

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MARCH 17, 2004

FOR IMMEDIATE RELEASE

FORMER TWA SUPERVISOR PLEADS GUILTY TO TAKING KICKBACKS ON CONSTRUCTION PROJECTS

KANSAS CITY, Mo. – Todd P. Graves, United States Attorney for the Western District of Missouri, announced that the former Director of the System Facilities for Trans World Airlines pleaded guilty in federal court today to defrauding the airline by taking kickbacks on construction projects that he supervised.

Terry A. Bernstein, 53, of St. Louis, Mo., waived his right to indictment and pleaded guilty before U.S. District Judge Ortrie D. Smith this morning to a federal information that charges him with mail fraud. The government contends that TWA suffered a loss of \$97,600 as a result of **Bernstein's** scheme to defraud. Under the terms of today's plea agreement, Graves explained, **Bernstein** retains the right to contest this amount.

While employed at TWA, Graves explained, **Bernstein** was responsible for initiating contracts with vendors for capital improvements and negotiating contracts for airport rental space. From December 1999 through April 2000, **Bernstein** received \$27,600 in payments in the form of kickbacks from Manuel Goicoechea Associates Architects, an architectural firm in San Juan, Puerto Rico, which performed consulting services for TWA. The kickback, Graves said, was in exchange for **Bernstein's** assistance in ensuring that TWA made prompt payment to the firm.

After **Bernstein** requested TWA to promptly make a \$28,131 payment to the architectural firm, Graves added, the Puerto Rican firm mailed a check to **Bernstein's** home address.

Bernstein agreed to pay full restitution to TWA, including restitution for all relevant criminal conduct that is not formally charged in the information.

Under federal statutes, **Bernstein** could be subject to a sentence of up to five years in federal prison without parole, plus a fine up to \$250,000. His sentence will be determined

according to the United States Sentencing Guidelines. A sentencing hearing will be scheduled after the completion of a presentence investigation by the United States Probation Office.

This case is being prosecuted by Assistant U.S. Attorney William L. Meiners. It was investigated by the Federal Bureau of Investigation.

This news release, as well as additional information about the office of the United States Attorney for the Western District of Missouri, is available on-line at

www.usdoj.gov/usao/mow